WE CLAIM:

1. A system comprising:

a stuffed toy having two eyes and an image sensor therein, the sensor comprising a two-dimensional array of optical sensing elements, and being positioned to view out of at least one of said eyes;

a speaker; and

a processor coupled to said image sensor and speaker, the processor comprising a steganographic watermark detector for sensing steganographic watermark data on an object presented to the stuffed toy and triggering an action in response.

2. A method comprising:

sensing a page or cover of a children's book with an image sensor, the sensor comprising a two-dimensional array of optical sensing elements;

decoding a digital watermark from image data produced by the image sensor; and

triggering an action associated with said page or cover.

3. The method of claim 2 wherein said action is speech reciting text from said book.

4. The method of claim 3 wherein said speech is assembled from component phonemes or common words previously recorded by a person.

5. The method of claim 4 wherein said component phonemes or common words are stored locally, and correspond to a child or a child's family member.

6. The method of claim 4 wherein said component phonemes or common words are stored remotely, and correspond to a celebrity voice.

7. The method of claim 2 wherein said action is playback of music.

8. The method of claim 2 wherein said action is retrieving artwork from a data store, and printing said artwork for coloring by a child.

9. The method of claim 2 wherein said action is linking to an internet web site related to said book or its subject matter.

10. The method of claim 2 wherein said action is linking to an interactive multiplayer game related to said book or its subject matter.

11. The method of claim 2 wherein the action is speech, and the speech incorporates both text from the book, and substitute words.

12. The method of claim 11 that includes retrieving said substitute words from a local store.

13. The method of claim 11 that includes soliciting words from a child, recording the child's words, and using said recorded words as said substitute words.

14. The method of claim 11 wherein said substitute words customize the book text to a particular child or locale.

15. The method of claim 11 that further includes sensing a gesture from the image data, and controlling said action in accordance therewith.

16. The method of claim 15 wherein one gesture causes a page from the book to be read-aloud again.

17. The method of claim 15 wherein one gesture controls volume of audio delivered to a speaker.

18. The method of claim 15 wherein one gesture causes text from the book to be read-aloud at a faster speed.

19. The method of claim 15 wherein one gesture causes text read-aloud from the book to be read using a different voice.

20. The method of claim 2 that comprises starting playback of a video at a point corresponding to said page or cover.

Add

23